



Department of Energy
Strategic Petroleum Reserve Project Management Office
900 Commerce East
New Orleans, Louisiana 70123

NOTICE OF SALE
DE-NS96-17PO30000

Pursuant to his authorities the Secretary of Energy has directed that the Strategic Petroleum Reserve (SPR) conduct a sale of SPR crude oil as provided for by Section 5010(a)(1)(B) of the 21st Century Cures Act (Public Law 114-255) and Section 403(a)(1) of the Bipartisan Budget Act of 2015 (Public Law 114-74). You are invited to submit offers for the purchase of crude oil from the United States Department of Energy, SPR. Contracts resulting from this sale shall be subject to contract price adjustment as set forth in the Supplements and Amendments to the Standard Sales Provisions (SSP). The terms and conditions of the sale and specific instructions for preparation and submittal of offers are contained in this Notice of Sale.

As stated in this Notice of Sale, you are required to submit your offer using the Crude Oil Sales Offer Program. **Manual offers will NOT be accepted.**

Offers are due at 2:00 p.m. Central Time, August 30, 2017.

Please read this solicitation carefully. Questions regarding this Notice of Sale must be submitted via email by noon, Central Time, August 29, 2017, to allow a reply to reach all prospective Offerors prior to submission of their offers. Any questions received after this date may not be answered prior to the date/time offers are due.

Questions/Responses will be posted daily, by 5:00 p.m. Central Time at:
www.spr.doe.gov. Questions must be addressed to:

<u>Contact</u>	<u>Telephone</u>	<u>E-Mail</u>
Mary C. Kiefer (Contracting Officer)	(504) 734-4195	mary.kiefer@spr.doe.gov
Anne Quern (Contract Specialist)	(504) 734-4228	anne.quern@spr.doe.gov

A handwritten signature in black ink, which appears to read "Kelly M. Gelé", is positioned above the printed name and title of the signatory.

Date: August 22, 2017

Kelly M. Gelé
Director, Acquisition and
Sales Division

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INSTRUCTIONS

GENERAL REQUIREMENTS

1. Offer must be submitted via the Crude Oil Sales Offer Program (COSOP) by the date/time specified in the Notice of Sale. **Manual offers will NOT be accepted.**
2. Offerors are required to submit an Offer Guarantee (See SSP B.12).

Failure to submit the above documents or to comply with material requirements of the Notice of Sale may be cause for rejection of the offer.

SALE-SPECIFIC REQUIREMENTS

The following sales requirements are established for this sale:

1. The sale will be by price competition and shall be conducted pursuant to Title 10 Code of Federal Regulations Part 625 [Standard Sales Provisions \(SSPs\)](#) published in the Federal Register on July 7, 2005, except as may be supplemented or amended by this Notice of Sale.
2. The quantity of SPR crude oil offered for sale is fourteen (14) million barrels of sour crude oil for delivery to successful Offerors. The delivery period for this sale shall be from October 2, 2017 through November 30, 2017. Early deliveries will not be available for this sale.
3. The crude oil streams, delivery modes and periods, and the quantities offered in this sale, as well as minimum contract quantities, are shown in [Attachment A](#).

Note: It is the responsibility of the Offerors to ensure that terminal and pipeline availability is sufficient to accommodate delivery of all awarded crude oil volumes.

4. Offers MUST be received by 2:00 p.m. Central Time, August 30, 2017; any offers received after 2:00 p.m. Central Time will be determined to be late and will be rejected, except as provided in SSP B.11, "Late Offers, Modifications of Offers, and Withdrawal of Offers".

5. A fully executed Offer Guarantee shall be e-faxed to (504) 818-5195 or may be scanned and e-mailed to mary.kiefer@spr.doe.gov and MUST be received not later than the time/date for receipt of offers. The original hardcopy must be received not later than 2:00 p.m. Central Time, August 31, 2017.

The mailing address for the original Offer Guarantee is:

U.S. Department of Energy
Strategic Petroleum Reserve
900 Commerce Road East
New Orleans, LA 70123
Attn: Mary C. Kiefer

6. Pursuant to SSP B.7, *State of Hawaii Access to SPR Crude Oil*, by submission of a binding offer, the State of Hawaii, for this sale, is entitled to purchase up to three percent of the offering barrels of SPR petroleum. Pursuant to section 161(j)(4) of the Energy Policy and Conservation Act, 42 U.S.C. 624(j)(4), the quantity to be sold to the State of Hawaii may be adjusted upward or downward to match the full tanker load of approximately 700,000 barrels, or such lesser tanker capacity as may be designated by the State of Hawaii.
7. Pursuant to SSP B.9, *Submission of Offers and Modifications of Previously Submitted Offers*, paragraph (e), DOE will inform simultaneously all Offerors and other interested parties of the successful and unsuccessful Offerors and their offer data by means of a public “offer posting”. This offer posting will occur within one week after receipt of offers. This information will be provided by a posting on the Internet at the following address: www.spr.doe.gov/

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SUPPLEMENTS AND AMENDMENTS
TO THE STANDARD SALES PROVISIONS

For this sale only, the Standard Sales Provisions (SSPs) are supplemented or amended as follows:

1. Offerors are advised that the requirements of the “Jones Act” must be met for the marine delivery of crude oil purchased in this sale which is destined for U.S. ports. SSP B.4, *Requirements for Vessels-Caution to Offerors* and SSP C.7, *Application Procedures for “Jones Act” and Construction Differential Subsidy Waivers* are supplemented as follows:

The Secretary of the Department of Homeland Security has not issued a general (‘blanket’) waiver of the ‘Jones Act’ for the marine delivery of crude oil purchased in this sale. Consequently, it is necessary for an Apparently Successful Offeror (ASO) to follow the procedures of SSP C.7. Standard Sales Provision C.7 (a) is modified to provide the following address for submission of a Jones Act waiver request.

U. S. Customs and Border Protection
Office of International Trade/Regulations and Rulings
Chief, Cargo Security
Carriers and Restricted Merchandise Branch
U.S. Department of Homeland Security
90 K Street, N.E., 10th Floor
Washington, D.C. 20229
Telephone No. (202) 325-0215
Fax: (202) 325-0154

2. Standard Sales Provision B.5, *“Superfund” Tax on SPR Petroleum-Caution to Offerors*, is supplemented as follows:

The “Superfund” taxes are currently not imposed; however, purchasers are liable for Oil Spill Liability Trust Fund (OSLTF) taxes of \$0.09/barrel for deliveries for calendar year 2017 for all SPR crude oil streams. Additionally, purchasers are liable for: Coastal Protection fees, Waterway Navigation fees, state and local environmental fees, including the federal Harbor Maintenance Trust Fund fees, if applicable. In regards to OSLTF, per the authoritative source:

(https://www.uscg.mil/npfc/About_NPFC/osltf.asp):

*“The Principal Fund of the OSLTF has several recurring and nonrecurring sources of revenue...**Barrel Tax.** The largest source of revenue has been a per-barrel excise tax, collected from the oil industry on petroleum produced in or imported to the United States. The original 5-cent-per-barrel tax expired at the end of 1994 because of the sunset provision in the law. The 2005 Energy Policy Act again reinstated the tax (effective April 2006). The Energy Improvement and Extension Act of 2008 extended the per-barrel excise tax through December 2017 and increased the per-barrel excise tax from 5 cents to 8 cents from 2009-2016 to 9 cents in 2017.”*

Note: All crude oil offered under this sale is subject to the OSLTF tax at the current rate of \$0.09 per barrel.

3. Standard Sales Provision B.6, *Export Limitations and Licensing – Caution to Offerors*, is removed in its entirety. Offerors are advised to review section 101 of Division O of the Consolidated Appropriations Act, 2016 (Public Law 114-113) concerning the export of crude oil, and are required to comply with all U.S. export laws.
4. Standard Sales Provision B.12, *Offer Guarantee*, is amended as follows:

Exhibit C “Offer Standby Letter of Credit” is deleted and replaced with Attachment D of the NS. All references to Exhibit C shall mean Attachment D.

Paragraph (d) is amended as follows:

The fourth sentence shall read “The depository institution must be an account holder with the Federal Reserve Banking system with permission to send Fedwires and must have Fedwire eligibility Funds status of either Eligible or Eligible – Settlement-only”.

Paragraph (g) is supplemented as follows:

For this sale the actual expiration date of the letters of credit furnished as offer guarantees will be October 30, 2017.

Paragraph (h) is amended as follows:

“Offer guarantee letters of credit will be returned, if requested, in accordance with Attachment D - REQUEST FOR OFFER GUARANTEE RETURNS, to an unsuccessful Offeror 5 business days after expiration of the Offeror's acceptance

period, and, except as provided in (i) of this provision, to a successful Offeror upon receipt of a satisfactory payment and performance letter of credit.”

5. Standard Sales Provision B.17, *SPR Crude Oil Streams and Delivery Points*, is supplemented with the following information:

Minimum delivery lot sizes are 100,000 barrels for pipelines, 250,000 barrels for vessels, and 40,000 barrels for barges. Offerors are reminded, however, of their responsibility to comply with (1) any minimum tender provision of any pipelines by which they take delivery from an SPR terminal, and (2) the vessel usage and load rate restrictions specified in SSP C.8(c), *Vessel loading procedures*.
(Note: “vessel” is synonymous with “tank ship” and “barge” is synonymous with “tank barge.”)

6. Standard Sales Provision B.17, *SPR Crude Oil Streams and Delivery Points*, paragraph (a) has been amended as follows:

Delivery Points (from Beaumont, Texas): change from “Unocal Terminal” to “Phillips 66 Terminal”.

Delivery points (from Winnie, Texas): change from “Shell 20-Inch Meter Station” to “Shell Zydeco Houston-Houma 20-Inch Pipeline”.

7. Standard Sales Provision B.18, *Notice of Sale Line Item Schedule – Petroleum Quantity, Quality, and Delivery Method*, paragraph (h) is supplemented with the following information:

The quality characteristics of the crude oil streams offered for sale are those cited in the [Strategic Petroleum Reserve Crude Oil Assays](#).

Note: SPR crude oil samples are not available prior to deliveries. Please refer to Crude Oil Assays.

8. Standard Sales Provision B.22, *Procedures for Evaluation of Offers*, Paragraph (b) (8), is amended as follows:

Exhibit D “Payment and Performance Letter of Credit” is deleted and replaced with Attachment E of the NS. All references to Exhibit D shall mean Attachment E.

9. Standard Sales Provision B. 27, *Contract Documents*, is amended as follows:

The third sentence is deleted in its entirety. The fourth sentence shall read: “The NS and the Provisions of the SSPs will be made applicable through incorporation by reference in the Notice of Acceptance (NA)”. The last sentence is deleted in its entirety.

10. Standard Sales Provision C.2, *Compliance with the “Jones Act” and the U.S. Export Control Laws*, is amended to delete all references to U.S. Export Control Laws. (See 3. above.)

11. Standard Sales Provision C.5, *Delivery and Transportation Scheduling*, is supplemented with the following information:

(a) Crude Oil Scheduling:
Fluor Federal Petroleum Operations Company
New Orleans, Louisiana
Chuck Costanza, (504) 734-4733 (Primary)
Ned Scheppegegrell (504) 722-6146 (Secondary)
All email correspondence: FFPOCOL@spr.doe.gov

(b) Pipeline and Terminal contacts:

(i) Sun Marine Terminal, Nederland, TX

Wayne Turner, Senior Director, Nederland Operations
(409) 721-4824
Mike Birkett, Senior Manager Operations (409) 721-4404
Bill Wheeler, Supervisor, Nederland Scheduling (409) 721-4813
Control Room (409) 721-4845
Marine Scheduler (409) 721-4812
Pipeline Scheduler (409) 721-4823
Shift Supervisor (409) 720-7972

(ii) Phillips 66 (Beaumont Terminal) Nederland, TX

Jim Brumley, Terminal Supervisor Office (409) 724-3372
Cell (281) 685-5893
Mark Maxwell, Lead Scheduling Office (409) 724-3288
Cell (409) 527-0219
Natalie Jordan, Crude Scheduler Office (409) 724-3215
Frank Thomas, Products Scheduler Office (409)-724-3209
Ashton Burkett, Products /Crude Scheduler Office (409) 724-3232

(iii) Shell Pipeline Company (Shell tie-in @ LCMS and Big Hill)

Hector Reyes, Scheduler Office (713) 241 3710 Cell (346) 313 2967

(iv) Enterprise Products

Scheduling

Jared Gayhart, Director, Onshore Crude Scheduling & Distribution
(713) 381-6944

Christian Flores, Manager, Scheduling & Distribution
(713) 381-6733

Micah Goff – Manager, Scheduling (713) 381-5562

Don Welch, Seaway Daily Scheduler (713) 381-3611

Peyton Leatherman, Texas City Daily Scheduler (713) 381-4206

Chrystal Herman, Coordinator, Distribution (713) 381-5538

Field Management

Mike Retif, Area Manager, South Texas/Jones Creek/Freeport
(713) 852-6003

John Hazley, Pipeline Supervisor, Freeport (979) 237-6756

Chris Yorgensen, Pipeline Supervisor, Jones Creek (979) 230-7308

Terry Hutson, Area Manager, ECHO, Texas City (713) 852-6005

Darrell Massey, Pipeline Supervisor, Texas City (409) 933-3805

(v) Exxon Mobil Pipeline

Christopher Cox, Field Supervisor (281) 381-7663

Donny Pitts, Monthly Scheduler Office (832) 624-2225
cell (713) 201-2540

Chris Winstead, Relief Monthly Scheduler
Office (832) 624-2221 Cell (281) 413-6307

Ryan Wilborn, Daily Scheduler Office (832) 624-0042
Cell (713) 817-0879

Darrell Poole, Area Supervisor Office (832) 624-0087
Cell (832) 239-0709

Monthly Scheduler (832) 624-0040

- (c) All email correspondence between the SPR and ASOs must include the sales contract number, if available, or the offer number in the subject.
- (d) The SPR will provide a Nomination-Confirmation Form to successful bidders (see Attachment F for sample form). The ASO shall complete the yellow highlighted areas and return the form in the time frame defined in the SSPs.

12. Standard Sales Provision C.5, *Delivery and Transportation Scheduling*, is amended as follows:

Paragraph (a) fourth sentence, change “highest offered price” to “highest Price Adjustment Factor (PAF)”.

Paragraphs (c) and (d) are deleted in their entirety and replaced with the following:

(c) RESERVED

(d) Notwithstanding paragraph (a) of this provision, in no event will schedules be confirmed prior to award of contracts.

13. Standard Sales Provision C.12, *Pipeline and Delivery Procedures*, paragraph (d) is deleted in its entirety and replaced with the following:

“(d) The date of delivery, which will be recorded on the CODR (see Provision C.19), is the date delivery is completed at the custody transfer point, as identified in the NS.”

14. Standard Sales Provision C.13, *Title and Risk of Loss*, is supplemented as follows:

Seaway Texas City (Pipeline) – Title and risk of loss pass to the purchaser when the petroleum passes through the DOE Bryan Mound site meter station.

Note: The delivery point for DLI “DLI-H Pipeline @ Texas City” is the Exxon Mobil 40” pipeline to Texas City, TX. Offerors are responsible for all transportation costs beyond the delivery point.

Seaway Freeport Marine Terminal – Title and risk of loss pass to the purchaser when the petroleum passes through the Seaway Freeport dock meters.

DOE Lake Charles Meter Station (Shell/Zydecos 22-inch Pipeline) – Title and risk of loss pass to the purchaser when the petroleum passes through the DOE Lake Charles (Shell/Zydecos 22-inch Pipeline) meter station.

SPR Site to purchaser’s tank at SUN – Title and risk of loss pass to the purchaser at the purchaser’s receiving tank flange at SUN.

Note: The delivery point for “DLI-A Pipeline @ Sun” is the receiving tank flange at SUN. Offerors bidding on this DLI must have their own tankage available at SUN available for receipts.

Shell/Zydeco 20-inch (Nederland to Port Neches)/ DOE 36-inch Big Hill connection - Title and risk of loss pass to the purchaser when the petroleum passes through the SPR Big Hill site meter station.

Phillips 66 Beaumont Terminal - Title and risk of loss pass to the purchaser at the purchaser's receipt tank flange for deliveries directly into purchaser's terminal tank.

Note: The delivery point for "DLI-H Pipeline @ P66 Beaumont Terminal" is the receiving tank flange at P66 Beaumont Terminal. Offerors bidding on this DLI must have their own tankage available at P66 Beaumont Terminal available for receipts.

15. Standard Sales Provision C.16, *Price Adjustments for Quality Differentials*, is deleted in its entirety and replaced with the following:

- “(a) Unless otherwise specified by the NS, quality price adjustments will be applied to the amount of variation by which the API gravity of the SPR crude oil delivered differs by more than plus or minus five-tenths of one degree API ($\pm 0.5^\circ$ API) from the API gravity of the SPR crude oil stream contracted for as published in the NS.
- (b) Unless otherwise specified by the NS, quality price adjustments will be applied to the amount of variation by which the Sulfur mass percent of the SPR crude oil delivered differs by more than plus or minus one-tenth of one percent of total Sulfur (± 0.10 mass, %) from the total Sulfur of the SPR crude oil stream contracted for as published in the NS.
- (c) Price adjustments for the SPR crude oil are expected to be similar to commercial crude oil quality price adjustment methodologies for equivalent quality crude oil, taking into account the amount by which the actual values exceed the allowable variations set forth in paragraphs (a) and (b) above.
- (d) Price adjustments for SPR crude oil streams offered for sale will be calculated using the GravCap tables at Attachment C.

Note: For calculation purposes the following will apply:

- API Gravity for each cargo reported in API Gravity 0.01° increments shall be rounded to the nearest tenth (0.1°) of one degree API.

- Total Sulfur mass % for each cargo reported in 0.001 mass % increments shall be rounded to the nearest one-hundredth of one percent (0.01%) of total Sulfur.”

16. Standard Sales Provision C.19, *Delivery Documentation, Appendix A to Part 625 – Standard Sales Provisions, Exhibit E*, is amended as follows:

The Strategic Petroleum Reserve Crude Oil Delivery Report Number (SPRCODR) is changed to SPRPMO F-416.1-3.

Digital signature(s) shall be utilized when possible for completion of SPRCODR.

17. Standard Sales Provision C.21, *Payment and Performance Letter of Credit*, is amended as follows:

Exhibit D “Payment and Performance Letter of Credit” is deleted and replaced with Attachment E of the NS. All references to Exhibit D shall mean Attachment E.

Paragraph (a) is supplemented as follows:

“The expiration date of the LOC will be provided in the ASO letter.”

Paragraph (b) is amended as follows:

The second sentence shall read “The depository institution must be an account holder with the Federal Reserve Banking system with permission to send Fedwires and must have Fedwire eligibility Funds status of either Eligible or Eligible – Settlement-only”.

18. Standard Sales Provision C.22, *Billing and Payment*, paragraphs (a) and (d) are deleted in their entirety and replaced with the following:

“ (a) The Government will invoice the purchaser at the conclusion of each delivery. The invoice will be based upon the nearest whole barrel volume (i.e. rounded to the nearest barrel).”

“ (d) In the event that the bank refuses to honor the draft against the letter of credit, the purchaser shall be responsible for paying the principal and any interest, administrative costs and penalties due (see Provision C.24) from the due date.”

19. Standard Sales Provision C.23, *Method of Payments*, paragraphs (a) and (d) are deleted in their entirety and replaced with the following:

“(a) All amounts payable by the purchaser shall be paid by deposit to the account of the U.S. Treasury by wire transfer of funds using the Fedwire Funds Service. The information to be included in each wire transfer will be provided in the NS. All wire deposit electronic funds transfer costs will be borne by the purchaser.”

“(d) Notwithstanding any other contract provision, DOE may, via a draft message, request a wire transfer of funds against the standby letter of credit at any time for payment of monies due under the contract and remaining unpaid in violation of the terms of the contract. These would include but not be limited to interest, administrative costs, penalties, liquidated damages, demurrage, amounts owing for any services provided under the contract, and the difference between the contract price and price received on the resale of undelivered petroleum as defined in Provision C.25.”

20. Standard Sales Provision C.24, *Interest*, is deleted in its entirety and replaced with the following:

“C.24 Interest, Administrative Costs and Penalties

(a) Amounts due and payable by the purchaser or its bank that are not paid in accordance with the provisions governing such payments shall bear interest from the day the invoice is mailed or transmitted to the purchaser until the date payment is received by the Government.

(b) Administrative Costs will be charged monthly to cover the expense of collecting delinquent debt. The current rate is \$7.25/month.

(c) A penalty will be assessed at the rate of 6% per year. The penalty charge accrues from the day the invoice is mailed or transmitted to the purchaser, and is assessed on any portion of the debt that is outstanding for more than 90 days, including any interest and administrative costs.”

21. Standard Sales Provision C.32, *Disputes*, is amended as follows:

Paragraph (c) “\$50,000” is changed to “\$100,000”, and the following language is added to the certification “; and that I am duly authorized to certify the claim on behalf of the purchaser.”

22. Standard Sales Provision Exhibit B, *SPR Delivery Point Data*, is supplemented as follows:

Regarding the Government information reflected in 10 CFR Part 625 as amended, Standard Sales Provisions Exhibit B that were obtained from the terminals; it is the responsibility of the Offerors to confirm these specifications prior to nominations to ensure most current information.

23. Standard Sales Provisions Exhibit C, *SAMPLE -- OFFER GUARANTEE STANDBY LETTER OF CREDIT*, is replaced by Attachment D of this NS. Instructions for Offer Letter of Credit are included in Attachment D of this NS.
24. Standard Sales Provision Exhibit D, *SAMPLE -- PAYMENT AND PERFORMANCE LETTER OF CREDIT*, is replaced by Attachment E of this NS. Instructions for Payment and Performance Letter of Credit are included in Attachment E of this NS.
25. By submission of an offer, the Offeror certifies that the Offeror, and any entity owned or controlled by the Offeror, does not engage in any activity for which sanctions may be imposed under Section 5 of the Iran Sanctions Act of 1997 (Public Law 104-172, 50 U.S.C. 1701 note) as modified by the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (Public Law 111-195).
26. By submission of an offer, the Offeror certifies that the Offeror, and any entity owned or controlled by the Offeror, does not engage in any activity for which sanctions may be imposed under the North Korea Sanctions and Policy Enhancement Act of 2016 (Public Law 114-122, 22 U.S.C. 9214) as modified by the Countering America's Adversaries Through Sanctions Act of 2017 (Public Law 115-55).
27. Contract Price Adjustment
- (a) The unit price for crude oil under the contract shall be the Delivery Reference Price (DRP) adjusted by the Price Adjustment Factor (PAF) as provided in this provision, subject to any additional adjustments provided for elsewhere in the contract.
- (b) The terms used in this provision are defined as follows:

Base Reference Price (BRP)

- (1) The BRP for all SPR crude oil streams offered for sale is the average (to the \$0.0001) of the Daily Index Prices as computed by the Government from prices for the most recent five days on which trading activity occurred, ending two trading days before the date of the Notice of Sale.
- (2) For this Notice of Sale, the BRP is \$47.2000 for all SPR crude oil streams.

Daily Index Price (DIP)

The DIP applicable to all SPR crude oil streams offered for sale is the “Weighted Average Month 1, Houston Close” (to the \$0.001) for all trading day transactions assessed for the near month as published for the date by Argus Americas Crude. Reference pricing streams associated with offered crude oil are shown below.

Sour Streams	Reference Crude Oil Stream
Bryan Mound Sour	Mars
West Hackberry Sour	Mars
Big Hill Sour	Mars

Delivery Reference Price (DRP) - The DRP is the average (to the \$0.0001) of the Daily Index Prices for the five trading days surrounding the delivery "price date" as stated in Block 7, "PRICE DATE", on the Strategic Petroleum Reserve Crude Oil Delivery Report: SPRPMO F-416.1-3.

- (1) For pipeline deliveries, the “price date” shall be the date the shipment completed at the custody transfer point, in accordance with SSP C.12, as amended by the NS.
- (2) For vessel deliveries, the "price date" shall be the date vessel loading completed in accordance with SSP C.19.
- (3) The "five trading days surrounding the price date" means the following five days: The midday, day three, is the price date as determined above (unless such day is a day on which trading activity did not occur, in which case the midday shall be the succeeding day on which trading activity did occur), the two days preceding the

midday of the five day period on which trading activity occurred and the two days succeeding the midday on which trading activity occurred.

Price Adjustment Factor (PAF) - The PAF is the purchaser's offered price minus the Base Reference Price (BRP). The PAF may be either positive or negative.

GENERIC EXAMPLES:

Delivery Reference Price + Price Adjustment Factor = Unit Price per Barrel (subject to any additional adjustments provided for elsewhere in the contract):

Example 1:

Assume: Offered Price = \$31.2534

BRP = \$31.0015 (5-day average specified in NS)

PAF = + \$0.2519

DRP = \$31.5055 (5-day average surrounding price date)

Unit Price/bbl = \$31.5055 + \$0.2519, or \$31.7574

Example 2:

Assume: Offered Price = \$30.7564

BRP = \$31.0015 (5-day average specified in NS)

PAF = - \$0.2451

DRP = \$31.5055 (5-day average surrounding price date)

Unit Price/bbl = \$31.5055 + (-\$0.2451), or \$31.2604

ATTACHMENT A
CRUDE OIL QUANTITIES OFFERED FOR SALE
U. S. DEPARTMENT OF ENERGY - STRATEGIC PETROLEUM RESERVE

The crude oil streams, delivery mode and periods, daily maximum delivery capability, and quantities of crude oil offered in this sale are as follows:

MLI = Master Line Item/Crude Oil Stream
DLI = Delivery Line Item/Maximum Quantity per Delivery Mode and Period
MIN Qty. = Minimum Contract Quantity Per DLI
MB = Thousands of Barrels
MBD = SPR's estimated daily maximum delivery limit capability for each delivery line item, consistent with current capabilities.

Crude Oil Stream <u>MLI</u>	DLI - Mode of <u>Delivery</u>	Delivery <u>Period</u>	MLI Qty (<u>MB</u>)	MBD <u>Limit</u>	DLI Qty (<u>MB</u>)	MIN Qty (<u>MB</u>)
Bryan Mound Sour 002			6,000			
	DLI-B Vessel @ Freeport	10/2 – 11/30		480	6,000	250
	DLI-H Pipeline @ Texas City	10/2 – 11/30		600	6,000	200

Crude Oil Stream <u>MLI</u>	DLI - Mode of <u>Delivery</u>	Delivery <u>Period</u>	MLI Qty (<u>MB</u>)	MBD <u>Limit</u>	DLI Qty (<u>MB</u>)	MIN Qty (<u>MB</u>)
West Hackberry Sour 005			5,000			
	DLI-A Pipeline @ Sun (Non-SPR Tank)	10/2 – 11/30		500	5,000	200
	DLI-B Vessel @ Sun (SPR Tank)	10/2 – 11/30		500	5,000	250
	DLI-E Barge @ Sun (SPR Tank)	10/2 – 11/30		90	1,500	40
	DLI-H Pipeline @ Lake Charles Meter Station	10/2 – 11/30		300	3,000	200

ATTACHMENT A
CRUDE OIL QUANTITIES OFFERED FOR SALE
U. S. DEPARTMENT OF ENERGY - STRATEGIC PETROLEUM RESERVE

Crude Oil Stream <u>MLI</u>	DLI - Mode of <u>Delivery</u>	Delivery <u>Period</u>	MLI Qty <u>(MB)</u>	MBD <u>Limit</u>	DLI Qty <u>(MB)</u>	MIN Qty <u>(MB)</u>
Big Hill Sour 010			3,000			
	DLI-A Pipeline @ Sun (Non-SPR Tank)	11/1 – 11/30		600	3,000	200
	DLI-B Vessel @ Sun (SPR Tank)	11/1 – 11/30		600	3,000	250
	DLI-E Barge @ Sun (SPR Tank)	11/1 – 11/30		90	1,200	40
	DLI-H Pipeline @ Phillips 66 Beaumont Terminal (Non- SPR Tank)	11/1 – 11/30		400	3,000	200
	DLI-L Pipeline @ Shell 20-inch Pipeline	11/1 – 11/30		200	1,000	200

ATTACHMENTS - B

INSTRUCTIONS FOR FEDWIRE FUNDS TRANSFERS TO THE DEPARTMENT OF ENERGY

Please provide the following instructions to your Financial Institution for Fedwire funds transfers to the Department of Energy at the U.S. Treasury:

Item Number	Fedwire Field Tag	Length	Fedwire Field Name	Required Information
1	{1510}	4	Type/Subtype	1000
2	{2000}	12	Amount	<i>Enter payment amount</i>
3	{3100}	9	Sending ABA number	<i>Sender ABA-number</i>
4	{3320}	16	Sender Reference	<i>Filled by sender</i>
5	{3400}	9	Receiver ABA number *	021030004
6	{3400}	18	Receiver Short Name	TREAS NYC
7	{3600}	3	Business Function Code	CTR (or CTP)
8	{4200}	34	Beneficiary Identifier (account number)	89000001
9	{4200}	35	Beneficiary Name	DEPARTMENT OF ENERGY
10	{5000}	35	Originator Name	<i>Enter the (company) name of the originator of the payment</i>
11	{6000}	35	Originator to Beneficiary Information – Line 1	<i>Enter Contract Number</i>
11	{6000}	35	Line 2	<i>Enter Cargo Number</i>
11	{6000}	35	Line 3	<i>Enter Invoice Number</i>
11	{6000}	35	Line 4	

*** The financial institution address for Treasury's routing number is:**

**Federal Reserve Bank of New York
33 Liberty Street
New York, NY 10045**

Attachment C GRAVCAP TABLES

GRAVCAP, INC.
ADJUSTMENT AUTHORIZATION

TABLES OF DIFFERENTIALS FOR USE IN DETERMINING ADJUSTMENTS FOR
DIFFERENCE IN GRAVITY OF CRUDE PETROLEUM

WHITE CAP SYSTEM - BONITO PIPE LINE COMPANY - SHIP SHOAL SYSTEM - CAPLINE SYSTEM

API GRAVITY	DIFF. PER BBL	API GRAVITY	DIFF. PER BBL	API GRAVITY	DIFF. PER BBL	API GRAVITY	DIFF. PER BBL	API GRAVITY	DIFF. PER BBL	API GRAVITY	DIFF. PER BBL	API GRAVITY	DIFF. PER BBL	API GRAVITY	DIFF. PER BBL
10.0	1.250	16.0	2.150	22.0	3.050	28.0	3.950	34.0	4.850	40.0	5.100	46.0	4.950	52.0	4.050
10.1	1.265	16.1	2.165	22.1	3.065	28.1	3.965	34.1	4.865	40.1	5.100	46.1	4.935	52.1	4.035
10.2	1.280	16.2	2.180	22.2	3.080	28.2	3.980	34.2	4.880	40.2	5.100	46.2	4.920	52.2	4.020
10.3	1.295	16.3	2.195	22.3	3.095	28.3	3.995	34.3	4.895	40.3	5.100	46.3	4.905	52.3	4.005
10.4	1.310	16.4	2.210	22.4	3.110	28.4	4.010	34.4	4.910	40.4	5.100	46.4	4.890	52.4	3.990
10.5	1.325	16.5	2.225	22.5	3.125	28.5	4.025	34.5	4.925	40.5	5.100	46.5	4.875	52.5	3.975
10.6	1.340	16.6	2.240	22.6	3.140	28.6	4.040	34.6	4.940	40.6	5.100	46.6	4.860	52.6	3.960
10.7	1.355	16.7	2.255	22.7	3.155	28.7	4.055	34.7	4.955	40.7	5.100	46.7	4.845	52.7	3.945
10.8	1.370	16.8	2.270	22.8	3.170	28.8	4.070	34.8	4.970	40.8	5.100	46.8	4.830	52.8	3.930
10.9	1.385	16.9	2.285	22.9	3.185	28.9	4.085	34.9	4.985	40.9	5.100	46.9	4.815	52.9	3.915
11.0	1.400	17.0	2.300	23.0	3.200	29.0	4.100	35.0	5.000	41.0	5.100	47.0	4.800	53.0	3.900
11.1	1.415	17.1	2.315	23.1	3.215	29.1	4.115	35.1	5.000	41.1	5.100	47.1	4.785	53.1	3.885
11.2	1.430	17.2	2.330	23.2	3.230	29.2	4.130	35.2	5.000	41.2	5.100	47.2	4.770	53.2	3.870
11.3	1.445	17.3	2.345	23.3	3.245	29.3	4.145	35.3	5.000	41.3	5.100	47.3	4.755	53.3	3.855
11.4	1.460	17.4	2.360	23.4	3.260	29.4	4.160	35.4	5.000	41.4	5.100	47.4	4.740	53.4	3.840
11.5	1.475	17.5	2.375	23.5	3.275	29.5	4.175	35.5	5.000	41.5	5.100	47.5	4.725	53.5	3.825
11.6	1.490	17.6	2.390	23.6	3.290	29.6	4.190	35.6	5.000	41.6	5.100	47.6	4.710	53.6	3.810
11.7	1.505	17.7	2.405	23.7	3.305	29.7	4.205	35.7	5.000	41.7	5.100	47.7	4.695	53.7	3.795
11.8	1.520	17.8	2.420	23.8	3.320	29.8	4.220	35.8	5.000	41.8	5.100	47.8	4.680	53.8	3.780
11.9	1.535	17.9	2.435	23.9	3.335	29.9	4.235	35.9	5.000	41.9	5.100	47.9	4.665	53.9	3.765
12.0	1.550	18.0	2.450	24.0	3.350	30.0	4.250	36.0	5.020	42.0	5.100	48.0	4.650	54.0	3.750
12.1	1.565	18.1	2.465	24.1	3.365	30.1	4.265	36.1	5.020	42.1	5.100	48.1	4.635	54.1	3.735
12.2	1.580	18.2	2.480	24.2	3.380	30.2	4.280	36.2	5.020	42.2	5.100	48.2	4.620	54.2	3.720
12.3	1.595	18.3	2.495	24.3	3.395	30.3	4.295	36.3	5.020	42.3	5.100	48.3	4.605	54.3	3.705
12.4	1.610	18.4	2.510	24.4	3.410	30.4	4.310	36.4	5.020	42.4	5.100	48.4	4.590	54.4	3.690
12.5	1.625	18.5	2.525	24.5	3.425	30.5	4.325	36.5	5.020	42.5	5.100	48.5	4.575	54.5	3.675
12.6	1.640	18.6	2.540	24.6	3.440	30.6	4.340	36.6	5.020	42.6	5.100	48.6	4.560	54.6	3.660
12.7	1.655	18.7	2.555	24.7	3.455	30.7	4.355	36.7	5.020	42.7	5.100	48.7	4.545	54.7	3.645
12.8	1.670	18.8	2.570	24.8	3.470	30.8	4.370	36.8	5.020	42.8	5.100	48.8	4.530	54.8	3.630
12.9	1.685	18.9	2.585	24.9	3.485	30.9	4.385	36.9	5.020	42.9	5.100	48.9	4.515	54.9	3.615
13.0	1.700	19.0	2.600	25.0	3.500	31.0	4.400	37.0	5.040	43.0	5.100	49.0	4.500	55.0	3.600
13.1	1.715	19.1	2.615	25.1	3.515	31.1	4.415	37.1	5.040	43.1	5.100	49.1	4.485		
13.2	1.730	19.2	2.630	25.2	3.530	31.2	4.430	37.2	5.040	43.2	5.100	49.2	4.470		
13.3	1.745	19.3	2.645	25.3	3.545	31.3	4.445	37.3	5.040	43.3	5.100	49.3	4.455		
13.4	1.760	19.4	2.660	25.4	3.560	31.4	4.460	37.4	5.040	43.4	5.100	49.4	4.440		
13.5	1.775	19.5	2.675	25.5	3.575	31.5	4.475	37.5	5.040	43.5	5.100	49.5	4.425		
13.6	1.790	19.6	2.690	25.6	3.590	31.6	4.490	37.6	5.040	43.6	5.100	49.6	4.410		
13.7	1.805	19.7	2.705	25.7	3.605	31.7	4.505	37.7	5.040	43.7	5.100	49.7	4.395		
13.8	1.820	19.8	2.720	25.8	3.620	31.8	4.520	37.8	5.040	43.8	5.100	49.8	4.380		
13.9	1.835	19.9	2.735	25.9	3.635	31.9	4.535	37.9	5.040	43.9	5.100	49.9	4.365		
14.0	1.850	20.0	2.750	26.0	3.650	32.0	4.550	38.0	5.060	44.0	5.100	50.0	4.350		
14.1	1.865	20.1	2.765	26.1	3.665	32.1	4.565	38.1	5.060	44.1	5.100	50.1	4.335		
14.2	1.880	20.2	2.780	26.2	3.680	32.2	4.580	38.2	5.060	44.2	5.100	50.2	4.320		
14.3	1.895	20.3	2.795	26.3	3.695	32.3	4.595	38.3	5.060	44.3	5.100	50.3	4.305		
14.4	1.910	20.4	2.810	26.4	3.710	32.4	4.610	38.4	5.060	44.4	5.100	50.4	4.290		
14.5	1.925	20.5	2.825	26.5	3.725	32.5	4.625	38.5	5.060	44.5	5.100	50.5	4.275		
14.6	1.940	20.6	2.840	26.6	3.740	32.6	4.640	38.6	5.060	44.6	5.100	50.6	4.260		
14.7	1.955	20.7	2.855	26.7	3.755	32.7	4.655	38.7	5.060	44.7	5.100	50.7	4.245		
14.8	1.970	20.8	2.870	26.8	3.770	32.8	4.670	38.8	5.060	44.8	5.100	50.8	4.230		
14.9	1.985	20.9	2.885	26.9	3.785	32.9	4.685	38.9	5.060	44.9	5.100	50.9	4.215		
15.0	2.000	21.0	2.900	27.0	3.800	33.0	4.700	39.0	5.080	45.0	5.100	51.0	4.200		
15.1	2.015	21.1	2.915	27.1	3.815	33.1	4.715	39.1	5.080	45.1	5.085	51.1	4.185		
15.2	2.030	21.2	2.930	27.2	3.830	33.2	4.730	39.2	5.080	45.2	5.070	51.2	4.170		
15.3	2.045	21.3	2.945	27.3	3.845	33.3	4.745	39.3	5.080	45.3	5.055	51.3	4.155		
15.4	2.060	21.4	2.960	27.4	3.860	33.4	4.760	39.4	5.080	45.4	5.040	51.4	4.140		
15.5	2.075	21.5	2.975	27.5	3.875	33.5	4.775	39.5	5.080	45.5	5.025	51.5	4.125		
15.6	2.090	21.6	2.990	27.6	3.890	33.6	4.790	39.6	5.080	45.6	5.010	51.6	4.110		
15.7	2.105	21.7	3.005	27.7	3.905	33.7	4.805	39.7	5.080	45.7	4.995	51.7	4.095		
15.8	2.120	21.8	3.020	27.8	3.920	33.8	4.820	39.8	5.080	45.8	4.980	51.8	4.080		
15.9	2.135	21.9	3.035	27.9	3.935	33.9	4.835	39.9	5.080	45.9	4.965	51.9	4.065		

For API GRAVITY values above 55.0° API the differential continues to decline 0.015/bbl. per 0.1° API GRAVITY.

Attachment C GRAVCAP TABLES

GRAVCAP, INC.
ADJUSTMENT AUTHORIZATION

TABLES OF DIFFERENTIALS FOR USE IN DETERMINING ADJUSTMENTS FOR
DIFFERENCE IN SULFUR CONTENT FOR CRUDE PETROLEUM

WHITE CAP SYSTEM - BONITO PIPE LINE COMPANY - SHIP SHOAL SYSTEM - CAPLINE SYSTEM

PERCENT SULFUR	DIFF. PER BBL	PERCENT SULFUR	DIFF. PER BBL	PERCENT SULFUR	DIFF. PER BBL	PERCENT SULFUR	DIFF. PER BBL	PERCENT SULFUR	DIFF. PER BBL	PERCENT SULFUR	DIFF. PER BBL	PERCENT SULFUR	DIFF. PER BBL
0.00	1.000	0.60	1.600	1.20	2.200	1.80	2.800	2.40	3.400	3.00	4.000	3.60	4.600
0.01	1.010	0.61	1.610	1.21	2.210	1.81	2.810	2.41	3.410	3.01	4.010	3.61	4.610
0.02	1.020	0.62	1.620	1.22	2.220	1.82	2.820	2.42	3.420	3.02	4.020	3.62	4.620
0.03	1.030	0.63	1.630	1.23	2.230	1.83	2.830	2.43	3.430	3.03	4.030	3.63	4.630
0.04	1.040	0.64	1.640	1.24	2.240	1.84	2.840	2.44	3.440	3.04	4.040	3.64	4.640
0.05	1.050	0.65	1.650	1.25	2.250	1.85	2.850	2.45	3.450	3.05	4.050	3.65	4.650
0.06	1.060	0.66	1.660	1.26	2.260	1.86	2.860	2.46	3.460	3.06	4.060	3.66	4.660
0.07	1.070	0.67	1.670	1.27	2.270	1.87	2.870	2.47	3.470	3.07	4.070	3.67	4.670
0.08	1.080	0.68	1.680	1.28	2.280	1.88	2.880	2.48	3.480	3.08	4.080	3.68	4.680
0.09	1.090	0.69	1.690	1.29	2.290	1.89	2.890	2.49	3.490	3.09	4.090	3.69	4.690
0.10	1.100	0.70	1.700	1.30	2.300	1.90	2.900	2.50	3.500	3.10	4.100	3.70	4.700
0.11	1.110	0.71	1.710	1.31	2.310	1.91	2.910	2.51	3.510	3.11	4.110	3.71	4.710
0.12	1.120	0.72	1.720	1.32	2.320	1.92	2.920	2.52	3.520	3.12	4.120	3.72	4.720
0.13	1.130	0.73	1.730	1.33	2.330	1.93	2.930	2.53	3.530	3.13	4.130	3.73	4.730
0.14	1.140	0.74	1.740	1.34	2.340	1.94	2.940	2.54	3.540	3.14	4.140	3.74	4.740
0.15	1.150	0.75	1.750	1.35	2.350	1.95	2.950	2.55	3.550	3.15	4.150	3.75	4.750
0.16	1.160	0.76	1.760	1.36	2.360	1.96	2.960	2.56	3.560	3.16	4.160	3.76	4.760
0.17	1.170	0.77	1.770	1.37	2.370	1.97	2.970	2.57	3.570	3.17	4.170	3.77	4.770
0.18	1.180	0.78	1.780	1.38	2.380	1.98	2.980	2.58	3.580	3.18	4.180	3.78	4.780
0.19	1.190	0.79	1.790	1.39	2.390	1.99	2.990	2.59	3.590	3.19	4.190	3.79	4.790
0.20	1.200	0.80	1.800	1.40	2.400	2.00	3.000	2.60	3.600	3.20	4.200	3.80	4.800
0.21	1.210	0.81	1.810	1.41	2.410	2.01	3.010	2.61	3.610	3.21	4.210	3.81	4.810
0.22	1.220	0.82	1.820	1.42	2.420	2.02	3.020	2.62	3.620	3.22	4.220	3.82	4.820
0.23	1.230	0.83	1.830	1.43	2.430	2.03	3.030	2.63	3.630	3.23	4.230	3.83	4.830
0.24	1.240	0.84	1.840	1.44	2.440	2.04	3.040	2.64	3.640	3.24	4.240	3.84	4.840
0.25	1.250	0.85	1.850	1.45	2.450	2.05	3.050	2.65	3.650	3.25	4.250	3.85	4.850
0.26	1.260	0.86	1.860	1.46	2.460	2.06	3.060	2.66	3.660	3.26	4.260	3.86	4.860
0.27	1.270	0.87	1.870	1.47	2.470	2.07	3.070	2.67	3.670	3.27	4.270	3.87	4.870
0.28	1.280	0.88	1.880	1.48	2.480	2.08	3.080	2.68	3.680	3.28	4.280	3.88	4.880
0.29	1.290	0.89	1.890	1.49	2.490	2.09	3.090	2.69	3.690	3.29	4.290	3.89	4.890
0.30	1.300	0.90	1.900	1.50	2.500	2.10	3.100	2.70	3.700	3.30	4.300	3.90	4.900
0.31	1.310	0.91	1.910	1.51	2.510	2.11	3.110	2.71	3.710	3.31	4.310	3.91	4.910
0.32	1.320	0.92	1.920	1.52	2.520	2.12	3.120	2.72	3.720	3.32	4.320	3.92	4.920
0.33	1.330	0.93	1.930	1.53	2.530	2.13	3.130	2.73	3.730	3.33	4.330	3.93	4.930
0.34	1.340	0.94	1.940	1.54	2.540	2.14	3.140	2.74	3.740	3.34	4.340	3.94	4.940
0.35	1.350	0.95	1.950	1.55	2.550	2.15	3.150	2.75	3.750	3.35	4.350	3.95	4.950
0.36	1.360	0.96	1.960	1.56	2.560	2.16	3.160	2.76	3.760	3.36	4.360	3.96	4.960
0.37	1.370	0.97	1.970	1.57	2.570	2.17	3.170	2.77	3.770	3.37	4.370	3.97	4.970
0.38	1.380	0.98	1.980	1.58	2.580	2.18	3.180	2.78	3.780	3.38	4.380	3.98	4.980
0.39	1.390	0.99	1.990	1.59	2.590	2.19	3.190	2.79	3.790	3.39	4.390	3.99	4.990
0.40	1.400	1.00	2.000	1.60	2.600	2.20	3.200	2.80	3.800	3.40	4.400	4.00	5.000
0.41	1.410	1.01	2.010	1.61	2.610	2.21	3.210	2.81	3.810	3.41	4.410	For Sulfur Values above 4.00% the differential continues to increase 0.01/BBL per 0.01 Percent Sulfur	
0.42	1.420	1.02	2.020	1.62	2.620	2.22	3.220	2.82	3.820	3.42	4.420		
0.43	1.430	1.03	2.030	1.63	2.630	2.23	3.230	2.83	3.830	3.43	4.430		
0.44	1.440	1.04	2.040	1.64	2.640	2.24	3.240	2.84	3.840	3.44	4.440		
0.45	1.450	1.05	2.050	1.65	2.650	2.25	3.250	2.85	3.850	3.45	4.450		
0.46	1.460	1.06	2.060	1.66	2.660	2.26	3.260	2.86	3.860	3.46	4.460		
0.47	1.470	1.07	2.070	1.67	2.670	2.27	3.270	2.87	3.870	3.47	4.470		
0.48	1.480	1.08	2.080	1.68	2.680	2.28	3.280	2.88	3.880	3.48	4.480		
0.49	1.490	1.09	2.090	1.69	2.690	2.29	3.290	2.89	3.890	3.49	4.490		
0.50	1.500	1.10	2.100	1.70	2.700	2.30	3.300	2.90	3.900	3.50	4.500		
0.51	1.510	1.11	2.110	1.71	2.710	2.31	3.310	2.91	3.910	3.51	4.510		
0.52	1.520	1.12	2.120	1.72	2.720	2.32	3.320	2.92	3.920	3.52	4.520		
0.53	1.530	1.13	2.130	1.73	2.730	2.33	3.330	2.93	3.930	3.53	4.530		
0.54	1.540	1.14	2.140	1.74	2.740	2.34	3.340	2.94	3.940	3.54	4.540		
0.55	1.550	1.15	2.150	1.75	2.750	2.35	3.350	2.95	3.950	3.55	4.550		
0.56	1.560	1.16	2.160	1.76	2.760	2.36	3.360	2.96	3.960	3.56	4.560		
0.57	1.570	1.17	2.170	1.77	2.770	2.37	3.370	2.97	3.970	3.57	4.570		
0.58	1.580	1.18	2.180	1.78	2.780	2.38	3.380	2.98	3.980	3.58	4.580		
0.59	1.590	1.19	2.190	1.79	2.790	2.39	3.390	2.99	3.990	3.59	4.590		

Attachment D

SAMPLE - OFFER GUARANTEE STANDBY LETTER OF CREDIT

**BANK LETTERHEAD
IRREVOCABLE STANDBY LETTER OF CREDIT**

Date: _____

To: U.S. Department of Energy
Strategic Petroleum Reserve
900 Commerce Road East
New Orleans, LA 70123

Attn: (CO Name)

AMOUNT OF LETTER OF CREDIT: U.S. \$ _____ (_____))
CONTRACTOR: _____
NOTICE OF SALE NO: _____
OFFER NO: _____
LETTER OF CREDIT NO: _____
EXPIRATION DATE: **October 30, 2017** _____
AMERICAN BANKERS ASSOCIATION (ABA) NO: _____

Gentlemen:

We hereby establish in the U.S. Department of Energy's favor our irrevocable standby Letter of Credit effective immediately for the account of our customer in response to the above U.S. Department of Energy's Notice of Sale, including any amendments thereto, for the sale of Strategic Petroleum Reserve petroleum. This Letter of Credit expires at least 60 calendar days after the date set for receipt of offers.

This letter of credit is available by your draft/s at sight, drawn on us and accompanied by a manually signed statement that the signer is an authorized representative of the Department of Energy, and the following statement:

"THIS DRAWING OF U.S. \$ _____ (_____) AGAINST YOUR LETTER OF CREDIT NUMBERED _____, DATED _____, IS DUE THE U.S. GOVERNMENT BECAUSE OF THE FAILURE OF (CONTRACTOR) TO HONOR ITS OFFER TO ENTER INTO A CONTRACT FOR THE PURCHASE OF SPR PETROLEUM FROM THE STRATEGIC PETROLEUM RESERVE, IN ACCORDANCE WITH THE U.S. GOVERNMENT'S NOTICE OF SALE NO. _____, INCLUDING ANY AMENDMENTS THERETO."

Attachment D

Drafts must be presented for payment on or before the expiration date of this Letter of Credit at our bank. The Government may make multiple drafts against this Letter of Credit.

Upon receipt of the U.S. Department of Energy's demand by hand, mail express delivery, or other means, at our office located at _____, we will honor the demand and make payment, by 3 p.m. Eastern Time of the third business day following receipt of the demand by wire transfer of funds as a deposit to the account of the U.S. Treasury over the Fedwire Funds Service. The information to be included in each transfer will be as provided in the above referenced Notice of Sale.

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision, International Chamber of Commerce Publication no. 600) and except as may be inconsistent therewith, to the Uniform Commercial Code in effect on the date of issuance of this Letter of Credit in the state in which the issuer's head office within the United States is located.

We hereby agree with you that all drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored upon presentation and delivery of the above documents for payment at our bank on or before the expiration date.

In the event of a bankruptcy filing by the applicant prior to the expiration date of this letter of credit, the expiration date of this letter of credit will automatically be extended by one hundred twenty (120) calendar days from the expiration date.

Address all communications regarding this Letter of Credit to (name and phone number).

Very truly yours,

(Authorized Signature)

(Typed Name and Title)

Attachment D

INSTRUCTIONS FOR OFFER GUARANTEE LETTER OF CREDIT

1. The depository institution must be an account holder with the Federal Reserve Banking system with permission to send Fedwires and must have Fedwire eligibility Funds status of either Eligible or Eligible – Settlement-only.
2. Letter of Credit must not vary in substance from this attachment. Provide a copy of this attachment to your bank.
3. Banks shall fill in blanks except those in the drawing statement. The drawing statement is in bold print.
4. The information to be included and format to be used for a wire transfer are noted in Attachment B of this Notice of Sale.
5. Type name and title under authorized signature and provide documentation of authorized signature.

Attachment D

REQUEST FOR OFFER GUARANTEE RETURNS

If you elect to have this Offer Letter of Credit returned, please select an option below:

(1) _____ Send a signed authorization to cancel the Offer LOC to the following point of contact via email address: _____

Contact Phone Number: _____

(2) _____ Federal Express the original Offer LOC to following point of contact at the following address:

Name: _____

Financial Institution: _____

Address: _____

Contact Phone Number: _____

**SAMPLE - PAYMENT AND PERFORMANCE LETTER OF CREDIT
BANK LETTERHEAD
IRREVOCABLE STANDBY LETTER OF CREDIT**

Date: _____

To: U.S. Department of Energy
Strategic Petroleum Reserve
900 Commerce Road East
New Orleans, LA 70123
Attn: (CO Name)

AMOUNT OF LETTER OF CREDIT: U.S.\$ _____ (_____)

CONTRACTOR: _____

CONTRACT NO: _____

LETTER OF CREDIT NO: _____

EXPIRATION DATE: _____

AMERICAN BANKERS ASSOCIATION (ABA) NO: _____

Gentlemen:

We hereby establish in the U.S. Department of Energy's favor our irrevocable standby Letter of Credit effective immediately for the account of our customer's above contract with the U.S. Department of Energy for the sale of Strategic Petroleum Reserve petroleum.

This letter of credit is available by your draft/s at sight, drawn on us and accompanied by a manually signed statement that the signer is an authorized representative of the Department of Energy, and one or both of the following statements:

- a. **"THIS DRAWING OF U.S. \$ _____ (_____) AGAINST YOUR LETTER OF CREDIT NUMBERED _____, DATED _____, IS DUE THE U.S. GOVERNMENT BECAUSE THE GOVERNMENT HAS DELIVERED SPR PETROLEUM UNDER THE TERMS OF CONTRACT NUMBER _____, INCLUDING ANY AMENDMENTS THERETO, AND (CONTRACTOR) HAS NOT PAID UNDER THE TERMS OF THAT CONTRACT."**
- b. **"THIS DRAWING OF U.S. \$ _____ (_____) AGAINST YOUR LETTER OF CREDIT NUMBERED _____, DATED _____, IS DUE THE U.S. GOVERNMENT BECAUSE (CONTRACTOR) HAS FAILED TO TAKE DELIVERY OF SPR PETROLEUM UNDER THE TERMS OF CONTRACT NUMBER _____, INCLUDING ANY AMENDMENTS THERETO."**

Drafts must be presented for payment on or before the expiration date of this Letter of Credit at our bank. The Government may make multiple drafts against this Letter of Credit.

Upon receipt of the U.S. Department of Energy's demand by hand, mail express delivery, or other means, at our office located at _____, we will honor the demand and make payment, by 3 p.m. Eastern Time of the third business day following receipt of the demand by wire transfer of funds as a deposit to the account of the U.S. Treasury over the Fedwire Funds Service. The information to be included in each transfer will be as provided in the above referenced contract.

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision, International Chamber of Commerce Publication no. 600) and except as may be inconsistent therewith, to the Uniform Commercial Code in effect on the date of issuance of this Letter of Credit in the state in which the issuer's head office within the United States is located.

We hereby agree with you that all drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored upon presentation and delivery of the above documents for payment at our bank on or before the expiration date.

In the event of a bankruptcy filing by the applicant prior to the expiration date of this letter of credit, the expiration date of this letter of credit will automatically be extended by one hundred twenty (120) calendar days from the expiration date.

Address all communications regarding this Letter of Credit to (name and phone number).

Very truly yours,

(Authorized Signature)

(Typed Name and Title)

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5. Type name and title under authorized signature and provide documentation of authorized signature.

Attachment F

Nomination–Confirmation Form

STRATEGIC PETROLEUM RESERVE

NOMINATION - CONFIRMATION

SPR Operations Fluor Federal Petroleum Operations New Orleans, Louisiana FFPOCOL@SPR.DOE.GOV	<u>Scheduler</u> Chuck Costanza (504) 734-4733 <u>Quantity and Quality</u> Ned Scheppegegrell (504) 722-6146																														
<u>**The following information must be provided by the Contractor**</u>																															
Submission Date: Click here to enter a date. Submission Type: Original Nomination																															
Contract No.: Enter Contract Number Contractor: Enter Contractor Name Address: Enter Address City, State, Zip																															
<u>Contractor Contact Information</u> <table style="width: 100%;"> <tr> <td style="width: 50%;">Primary Contact: Primary Contact Name</td> <td style="width: 50%;">Alternate: Alternate Contact Name</td> </tr> <tr> <td>Office: Office Phone</td> <td>Office: Office Phone</td> </tr> <tr> <td>Cell: Cell Phone</td> <td>Cell: Cell Phone</td> </tr> <tr> <td>Email: Email Address</td> <td>Email: Email Address</td> </tr> </table>		Primary Contact: Primary Contact Name	Alternate: Alternate Contact Name	Office: Office Phone	Office: Office Phone	Cell: Cell Phone	Cell: Cell Phone	Email: Email Address	Email: Email Address																						
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Email: Email Address	Email: Email Address																														
CODR/DD250 Contractor Signatory Designee*: Signatory Designee Name <small>*Designee can be contractor office personnel, 3rd party inspection company†, or chosen loss control representative†.</small> Office: Office Phone Cell: Cell Phone Email: Email Address <small>Note: If multiple designees are to be used, please input "See Attached" and provide list to FFPOCOL@spr.doe.gov with nomination.</small>																															
<u>†Third Party Inspection Company Information</u> Company: 3 rd Party Inspection Company Contact: 3 rd Party Contact Name <small>Contact Ned Scheppegegrell for any questions on SPR 3rd party inspection and testing.</small>																															
Nomination Information and Delivery Window (additional lines on following page)																															
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